

**CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS**  
**FOR THE SIX MONTHS ENDED MARCH 31, 1976 (Unaudited)**

(with comparative figures for the six months ended March 31, 1975)

	1976	1975
	(In thousands of dollars)	
<b>FUNDS PROVIDED BY OPERATIONS</b>		
Net Earnings .....	\$1,570	\$ 1,130
Depreciation .....	557	515
Amortization of Financing and other expenses .....	305	233
Deferred Income Tax .....	938	902
<b>CASH FLOW from operations</b> .....	<b>3,370</b>	<b>2,780</b>
Gain on disposal of investment properties .....	175	23
<b>CASH FLOW for the period</b> .....	<b>3,545</b>	<b>2,803</b>
Annual payments on long-term debt .....	1,616	1,287
Funds available from operations .....	1,929	1,516
Dividends paid .....	628	570
Funds available from operations for reinvestment .....	1,301	946
<b>NEW FINANCINGS</b>		
Additional long-term debt — net .....	4,740	18,930
Issues of Capital Stock .....	142	21
<b>PROCEEDS (net of applicable mortgages) from disposal of investment properties less gains on disposal included in cash flow for the period</b> .....	<b>472</b>	<b>6</b>
<b>DECREASE in other assets — net</b> .....	<b>1,422</b>	<b>—</b>
	<b>8,077</b>	<b>19,903</b>
<b>FUNDS USED FOR</b>		
Investment in real estate .....	6,734	5,667
Redemption of preference shares .....	39	7
Increase in other assets — net .....	—	422
	<b>6,773</b>	<b>6,096</b>
<b>INCREASE IN FUNDS</b> .....	<b>1,304</b>	<b>13,807</b>
<b>FUNDS, beginning of period</b> .....	<b>6,083</b>	<b>158</b>
<b>FUNDS, end of period</b> .....	<b>\$7,387</b>	<b>\$13,965</b>
<b>CASH FLOW PER COMMON SHARE, after making provision for preferred dividends — (note 2)</b>		
From operations .....	59c	48c
For the period .....	62c	49c

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**REGIONAL OFFICES**

**EASTERN**

**Nova Scotia**

6009 Quinpool Road  
 Halifax 429-6176

**Quebec**

710 Place d'Youville  
 Quebec City 692-1874

1470 Peel Street  
 Montreal 844-9351

**Ontario**

267 O'Connor Street  
 Ottawa 237-6373

1250 Bay Street  
 Toronto 964-8434

**WESTERN**

**Manitoba**

310 Broadway Avenue  
 Winnipeg 947-0524

**Alberta**

239-8th Avenue S.W.  
 Calgary 266-1695

10025 Jasper Avenue  
 Edmonton 424-0507

**British Columbia**

1200 West Pender Street  
 Vancouver 681-9474

880 Douglas Street  
 Victoria 383-4168



**M.E.P.C. CANADIAN PROPERTIES LIMITED**

**INTERIM REPORT FOR  
 THE SIX MONTHS ENDED  
 MARCH 31, 1976**



## Board of Directors

- Peter A. Anker, F.R.I.C.S., F.R.I.**  
Napic Consultants Limited, Toronto, Ontario
- D. J. Davies, M.A.**  
MEPC Limited, London, England
- Gordon C. Gray, F.C.A., F.R.I.**  
A. E. LePage Limited, Toronto, Ontario
- R. A. Greiner, F.R.I.**  
M.E.P.C. Canadian Properties Limited, Toronto, Ontario
- R. H. D. King, C.A., F.C.A.**  
M.E.P.C. Canadian Properties Limited, Toronto, Ontario
- D. A. McIntosh, Q.C.**  
Fraser and Beatty, Toronto, Ontario
- The Hon. W. J. McKeag**  
McKeag Realty Ltd.  
Winnipeg, Manitoba
- W. C. Mearns, B.A., P.Eng.**  
Bank of British Columbia, Vancouver, British Columbia
- The Hon. Angus Ogilvy**  
MEPC Limited, London, England
- G. E. A. Pacaud, B.Sc., LL.B.**  
M.E.P.C. Canadian Properties Limited, Toronto, Ontario
- A. Ross Poyntz, F.C.I.A.**  
The Imperial Life Insurance Company of Canada,  
Toronto, Ontario
- D. N. Stoker**  
Nesbitt, Thomson and Company Limited, Montreal, Quebec

## Executive Officers

- A. Ross Poyntz, F.C.I.A.**  
Chairman of the Board
- Peter A. Anker, F.R.I.C.S., F.R.I.**  
Vice Chairman of the Board
- R. A. Greiner, F.R.I.**  
President and Chief Executive Officer
- G. E. A. Pacaud, B. Sc., LL.B.**  
Senior Vice-President and Secretary/Solicitor
- R. H. D. King, C.A., F.C.A.**  
Vice-President and Treasurer
- M. H. Morgan, F.R.I.C.S., F.R.I.**  
Vice-President, Property Operations
- A. K. Stephens, F.R.I.**  
Vice-President, Investments
- R. W. Heslop, B.Sc., F.R.I.**  
Vice-President, Eastern Region
- C. M. Ramsay, L.C.O.**  
Assistant Secretary

## Head Office

1027 Yonge Street,  
Toronto, Ontario M4W 3E8  
964-2811

## Common Shares Listed

The Toronto Stock Exchange  
The Montreal Stock Exchange

## Preference Shares and Warrants Listed (October 1976 Series)

The Toronto Stock Exchange

## TO THE SHAREHOLDERS M.E.P.C. CANADIAN PROPERTIES LIMITED

### FINANCIAL

Results of operations for the six months ended March 31, 1976 show a substantial increase in earnings and cash flow compared to the same period last year. Earnings from operations have increased from 19 to 27 cents per share and cash flow from operations has risen from 48 cents to 59 cents per share. While much of the increase has been achieved from trading profits, which are not anticipated to be repeated in the second half of the year, there has also been an improvement in results from our investment portfolio.

Your Company remains in the strong financial position outlined in the last Annual Report. There has been a further increase of \$1,304,000 in funds in the first half of this year and we have recently arranged a mortgage commitment for \$2,500,000 on the retail project "Centennial Shops" in Calgary, Alberta.

### REAL ESTATE

Your Company is continuing to look for new opportunities to expand the portfolio. Competition within the marketplace for the purchase of well-located investment properties is particularly keen and during the past year or so we have found it difficult to purchase existing properties that will yield a return above the cost of financing. In view of this and regulatory uncertainties created by the Foreign Investment Review Act and the Ontario Land Transfer Act, your Company is turning more of its attention to developments.

Your Company has acquired its first investment in the United States this year. It is an existing shopping centre in excess of 107,000 sq. ft. with surplus land for future development and is located in Seattle, Washington.

### MARKET ACTIVITY

The demand for space is improving in most areas of the country. The "Border Place" suburban office development in Winnipeg and the "Centennial Shops" retail development on 8th Avenue in Calgary are now substantially completed and ready for occupancy. Leasing activity is proceeding on schedule in these two developments. In Vancouver we are still experiencing a soft market with regard to the leasing of the United Kingdom Building which is 70% leased at the present time.

### OUTLOOK

In general it appears that the business activity in Canada is continuing to improve and we expect this trend to continue for the remainder of the year.

May 18, 1976

R. A. GREINER  
President and Chief  
Executive Officer

## CONSOLIDATED STATEMENT OF EARNINGS FOR THE SIX MONTHS ENDED MARCH 31, 1976 (Unaudited)

(with comparative figures for the six months ended March 31, 1975)

	1976	1975
	(In thousands of dollars)	
INCOME		
Rental Income .....	\$12,900	\$11,356
Trading Profits .....	775	141
	<u>13,675</u>	<u>11,497</u>
EXPENSES:		
Property .....	\$5,438	4,146
Interest — Net (note 1) .....	4,291	4,339
Administrative and general .....	<u>496</u>	<u>385</u>
	<u>10,225</u>	<u>8,870</u>
NET OPERATING INCOME .....	3,450	2,627
Depreciation .....	<u>557</u>	<u>515</u>
NET EARNINGS BEFORE TAX .....	2,893	2,112
Provision for income taxes:		
Current .....	\$ 385	80
Deferred .....	<u>938</u>	<u>902</u>
	<u>1,323</u>	<u>982</u>
NET EARNINGS <i>from operations</i> .....	1,570	1,130
Gain on disposal of investment properties after deducting deferred income taxes of \$45,000 (nil in 1975) .....	<u>130</u>	<u>23</u>
NET EARNINGS <i>for the period</i> .....	<u>\$ 1,700</u>	<u>\$ 1,153</u>
EARNINGS PER COMMON SHARE, after making provision for preferred dividends — (note 2)		
<i>From operations</i> .....	27c	19c
<i>For the period</i> .....	29c	19c
NOTES		
1) Interest includes the following:		
Interest on long-term debt .....	\$ 5,795	\$ 5,501
Interest on Bank loans and other indebtedness .....	<u>9</u>	<u>601</u>
	5,804	6,102
Less Interest applicable to properties under development .....	<u>702</u>	<u>821</u>
	5,102	5,281
Less Income from short-term invest- ments and mortgages receivable ....	<u>811</u>	<u>942</u>
	<u>\$ 4,291</u>	<u>\$ 4,339</u>
2) Average number of Common Shares outstanding for the period .....		
	5,638,000	5,613,000